GENERAL PRINCIPLES OF INSURANCE
INP 1100

Class Hours: 3.0  
Credit Hours: 3.0  
Laboratory Hours: 0.0  
Date Revised: Spring 00

Catalog Course Description:
A study of principles underlying the entire field of insurance and the nature and operation of the insurance business, including property and liability insurance concepts, principles, and contracts.

Entry Level Standards:
None

Prerequisites:
None

Textbook(s) and Other Reference Materials Basic to the Course:

Property and Liability Insurance Principles, latest edition, Insurance Institute of America

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Introduction and Assignment 1; Uncertainty and Insurance</td>
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<tr>
<td>2</td>
<td>Property Loss &amp; Exposures</td>
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<tr>
<td>3</td>
<td>Liability Loss Exposures</td>
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<tr>
<td>4</td>
<td>Insurance Policies</td>
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<tr>
<td>5</td>
<td>Property Insurance and Contract Provisions</td>
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<tr>
<td>7</td>
<td>Review and Midterm</td>
</tr>
<tr>
<td>8</td>
<td>Providers of Insurance</td>
</tr>
<tr>
<td>9</td>
<td>Financial Performance and Regulation</td>
</tr>
<tr>
<td>10</td>
<td>Regulations Continued</td>
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II. Course Objectives*:

A. Identify types of insurance principles and assumptions on which accounting practices are based. I,II,III

B. Discuss the process of accumulating financial information. I,II

C. Develop an understanding of analysis and interpretation of financial statements. I,II

D. Apply accounting principles and practices in terms of prescribed statutes, regulations and rules of the insurance industry. I,II,III

*Roman numerals after course objectives reference goals of the Business and Community Services department.

III. Instructional Processes*:

Students will:

1. Take part in course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or email presentations; Internet research; etc. to help develop teamwork, leadership, and followership skills. Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy

2. Use critical thinking skills to interpret and evaluate the financial statements of existing companies and make informed judgements about these statements to facilitate in decision making and problem solving strategies. Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Information Literacy Outcome, Active Learning Strategies

3. Exhibit professional behavior by attending class regularly, arriving punctually with the appropriate materials, and being prepared for active class participation each day. Personal Development Outcome, Transitional Strategy

4. Use email to communicate problems, questions, and issues to the instructor. Communication Outcome, Informational Literacy Outcome, Technological Literacy Outcome

*Strategies and outcomes listed after instructional processes reference Pellissippi State’s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:
Upon successful completion of this course, the student should be able to:

1. Identify the major users of accounting information and explain the types of decisions they make using accounting information. A,D
2. Differentiate between the cash and accrual basis of accounting. C
3. Calculate a schedule of depreciation given the cost, expected life, and salvage value for a non-current asset using the following depreciation methods: straight line, double declining balance, sum-of-the-years digits. C
4. Illustrate how comparative financial statements may be used to analyze and appraise the financial position of a firm and the results of its operation. A,B
5. Develop a percent-of-sales technique for forecasting and explain its uses. A,B,C
6. Explain and contrast the concepts of self-liquidating assets and permanent current assets. B,C
7. Distinguish between the processes of compounding and discounting. A
8. Explain the concept of cost of capital and how it relates to the purchase of capital goods. A
9. Describe basic terms used in debt issues. A
10. Describe the purposes and uses of the statutory statements. D
11. Explain the nature and rationale underlying regulatory rules for investing funds and explain the implications of these rules to an insurer’s process of asset selection. D
12. Explain in general how the values of each major category of insurer liabilities may be determined and the implications of the different valuations methods on the level of policyholders’ surplus. D
13. Describe the premiums written cycle and identify the important steps necessary to process a policy and the related premium revenue. D
14. Describe the environmental factors affecting financial analysis of insurance companies. D
15. Describe the purpose and operating characteristics of state insurance guaranty funds. D

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:

   Midterm:  25%
   Unannounced Quiz  25%
   Final  40%

B. Laboratory Expectations:

   N/A

C. Field Work:
D. Other Evaluation Methods:

Attendance  10%

E. Grading Scale:

90 - 100  A
80 - 89  B
70 - 79  C
60 - 69  D
Below 60  F

VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.